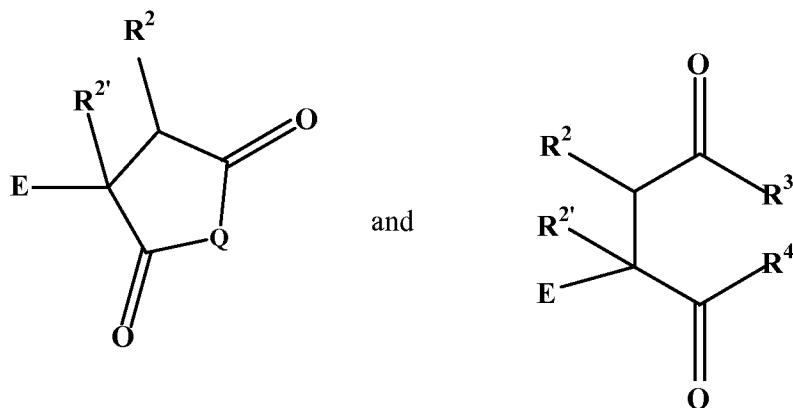


IN THE CLAIMS:

1. (Original) A nanocomposite comprising clay and an elastomer comprising C₂ to C₁₀ olefin derived units; wherein the elastomer also comprises functionalized monomer units having functional groups pendant to the elastomer, E, selected from the following:



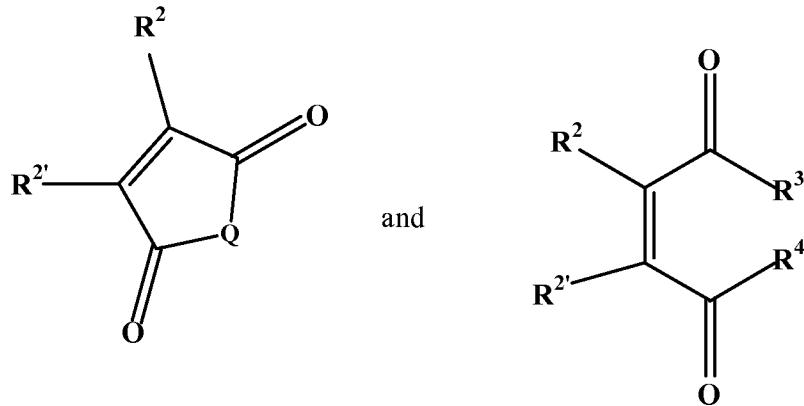
wherein Q is selected from O and an NR¹ group, wherein R¹ is selected from hydrogen, C₁ to C₂₀ alkyls, alkenyls or aryls, substituted C₁ to C₂₀ alkyls, alkenyls or aryls; R² and R^{2'} are the same or different and are selected from hydrogen, C₁ to C₂₀ alkyls, alkenyls or aryls, substituted C₁ to C₂₀ alkyls, alkenyls or aryls, hydroxyl and C₁ to C₂₀ alkoxy; and wherein R³ and R⁴ are the same or different and selected from -OR⁵ and -NHR⁵, wherein R⁵ is defined as R¹ above.

2. (Original) The nanocomposite of Claim 1, wherein the elastomer also comprises monomer units selected from styrenic derived units and substituted styrenic derived units.
3. (Original) The nanocomposite of Claim 2, wherein the styrenic units are functionalized.
4. (Cancelled)

5. (Original) The nanocomposite of Claim 1, wherein the olefin is selected from one or more of isobutylene, isobutene, 2-methyl-1-butene, 3-methyl-1-butene, 2-methyl-2-butene, and 4-methyl-1-pentene, ethylene, propene, 1-butene, 1-hexene, and 1-octene.
6. (Original) The nanocomposite of Claim 2, wherein the styrene derived units are present from 1 to 15 wt% of the elastomer.
7. (Cancelled)
8. (Original) The nanocomposite of Claim 1, wherein the elastomer also comprises isoolefin derived units and *p*-methylstyrene derived units.
9. (Cancelled)
10. (Original) The nanocomposite of Claim 1, wherein the functionalized units are present on the elastomer from 0.01 wt% to 15 wt% of the elastomer.
11. (Original) The nanocomposite of Claim 1, wherein the clay has been treated with an exfoliating agent to form an exfoliated clay.
12. (Cancelled)
13. (Original) The nanocomposite of Claim 1, wherein the clay is present from 0.1 wt% to 50 wt% of the nanocomposite.
- 14 - 15. (Cancelled)
16. (Original) The nanocomposite of Claim 1, also comprising a filler selected from carbon black, modified carbon black, silica, precipitated silica, and blends thereof.

17 - 18. (Cancelled)

19. (Original) The nanocomposite of Claim 1, also comprising a secondary rubber selected from natural rubber, polybutadiene rubber, nitrile rubber, silicon rubber, polyisoprene rubber, poly(styrene-*co*-butadiene) rubber, poly(isoprene-*co*-butadiene) rubber, styrene-isoprene-butadiene rubber, ethylene-propylene rubber, brominated butyl rubber, chlorinated butyl rubber, halogenated isoprene, halogenated isobutylene copolymers, polychloroprene, star-branched polyisobutylene rubber, star-branched brominated butyl rubber, poly(isobutylene-*co*-isoprene) rubber; halogenated poly(isobutylene-*co*-*p*-methylstyrene), ethylene-propylene rubber and mixtures thereof.
20. (Currently amended) ~~A tire innerliner. An article comprising the nanocomposite of Claim 1, the article being a tire innerliner or an innertube.~~
21. (Cancelled)
22. (Currently amended) A method of forming a nanocomposite comprising contacting:
 - (a) an elastomer, wherein the elastomer comprises C₂ to C₁₀ olefin derived units;
 - (b) at least one functionalizing compound selected from



wherein Q is selected from O and an NR¹ group, wherein R¹ is selected from hydrogen, C₁ to C₂₀ alkyls, alkenyls or aryls, substituted C₁ to C₂₀ alkyls, alkenyls or aryls; R² and R^{2'} are the same or different and are selected from hydrogen, C₁ to C₂₀ alkyls, alkenyls or aryls, substituted C₁ to C₂₀ alkyls, alkenyls or aryls, hydroxyl and C₁ to C₂₀ alkoxy; and wherein R³ and R⁴ are the same or different and are selected from -OR⁵ and -NHR⁵, wherein R⁵ is defined as R¹ above unsaturated acid anhydrides, unsaturated esters, unsaturated imides, and mixtures thereof;

(c) at least one free radical initiator; and

(d) clay.

23. (Currently amended) The method of Claim 22, wherein the method of contacting is selected from one of the following methods: 1) the elastomer is first contacted with the functionalizing compound, followed by contacting with the clay, 2) the elastomer, clay, and functionalizing compound are contacted simultaneously, 3) the elastomer and functionalizing compound are solubilized in a diluent, and 4) the elastomer and the functionalizing compound are melt blended.

24 - 26. (Cancelled)

27. (Original) The method of Claim 22, wherein the free radical initiator is a peroxide selected from diacyl peroxides, ketone peroxides, peroxyesters, peroxydicarbonates, dialkyl peroxides, hydroperoxides, peroxyketals.

28. (Cancelled)

29. (Original) The method of Claim 22, wherein the functionalizing compound is selected from monomethyl maleate, dimethyl maleate, diethyl maleate, diphenyl maleate, dibutyl fumarate, maleimide, citraconic anhydride, itaconic anhydride, maleic anhydride, N,N'-phenylenedimaleimide, N-methylmaleimide, N-phenylmaleimide, maleic acid, itaconic acid, and the metal carboxylic derivatives thereof.

30. (Original) The method of Claim 22, wherein the elastomer also comprises monomer units selected from styrenic derived units and substituted styrenic derived units.

31. (Cancelled)

32. (Original) The method of Claim 30, wherein the styrene derived units are present from 1 to 15 wt% of the elastomer.

33. (Cancelled)

34. (Original) The method of Claim 22, wherein the elastomer also comprises isoolefin derived units and *p*-methylstyrene derived units.

35. (Original) The method of Claim 22, wherein the elastomer is selected from natural rubber, poly(isobutylene-*co*-isoprene), polybutadiene, poly(styrene-*co*-butadiene) rubber, poly(isoprene-*co*-butadiene), poly(styrene-isoprene-butadiene), star-branched polyisobutylene rubber, poly(isobutylene-*co*-styrene), poly(isobutylene-*co*-*p*-methylstyrene), ethylene-propylene rubber and mixtures thereof.
36. (Original) The method of Claim 22, wherein the elastomer is functionalized by contacting with the functionalizing compound, wherein the functional groups are present on the elastomer from 0.01 wt% to 15 wt% of the elastomer.
37. (Original) The method of Claim 22, wherein the clay has been treated with an exfoliating agent to form an exfoliated clay.
38. (Cancelled)
39. (Original) The method of Claim 22, wherein the clay is present from 0.1 wt% to 50 wt% of the nanocomposite.
40. - 41. (Cancelled)
42. (Original) The method of Claim 22, also comprising a filler selected from carbon black, modified carbon black, silica, precipitated silica, and blends thereof.
- 43 - 44. (Cancelled)
45. (Original) The method of Claim 22, also comprising a secondary rubber selected from natural rubber, polybutadiene rubber, nitrile rubber, silicon

rubber, polyisoprene rubber, poly(styrene-*co*-butadiene) rubber, poly(isoprene-*co*-butadiene) rubber, styrene-isoprene-butadiene rubber, ethylene-propylene rubber, brominated butyl rubber, chlorinated butyl rubber, halogenated isoprene, halogenated isobutylene copolymers, polychloroprene, star-branched polyisobutylene rubber, star-branched brominated butyl rubber, poly(isobutylene-*co*-isoprene) rubber; halogenated poly(isobutylene-*co*-*p*-methylstyrene) and mixtures thereof.

46 - 71. (Cancelled)